



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 30, 1999

TO: File

THRU: Daron Haddock, Permit Supervisor *DRH*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Reclamation Bond Amount, Consolidation Coal Company, Emery Deep Mine, ACT/015/015, File #2, Emery County, Utah

SUMMARY:

On January 29, 1999, the Division received updated reclamation cost estimates for the Emery Deep mine. The Division reviewed the information and adjusted the bond.

Analysis:

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: R645-301-800, et seq.

Analysis:

Determination of bond amount.

On January 29, 1999, the Division received updated reclamation cost estimates from the Permittee. The Division reviewed the reclamation cost estimates and then calculated the reclamation bond amount. The revised bond amount is \$1,473,000.

On March 24, 1999, Wayne Western meet with Brian Butts to discuss the reclamation bond amount. The current bond amount is for \$3,400,000. Neither the Division nor the Permittee has the worksheets that were used to determine the \$3,400,000 bond amount. The Permittee stated that the current bond had a one time only premium and that they have nothing to gain by reducing the bond amount. Both the Division and the Permittee agreed that the current bond amount is adequate and that no other action need be taken.

Findings:

The information in this section has met the minimum requirements.